Merger of Insurance Companies

*198. SHRI JOHN F. FERNANDES: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the four nationalised insurance companies, namely, United India Insurance, New India Assurance, National Insurance and Oriental Insurance Companies are still functioning separately thus duplicating their work and straining financial resources and leading to unhealthy competition;

(b) if so, what steps Government are contemplating to amalgamate these companies into one body;

(c) by when this unification process is likely to be completed; and

(d) whether Government contemplate to do away with Commission system practised by the agents?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The four nationalised insurance companies *viz.* (i) National Insurance Company Ltd., (ii) New India Assurance Company Ltd., (iii) Oriental Insurance Company Ltd., and (iv) United India Insurance Company Ltd. are functioning as independent companies under the provisions of the General Insurance Business (Nationalisation) Act, 1972. As envisaged therein, the four companies work in competition with each other with a view to ensuring service to the insuring public. There is no duplication of work or straining of financial resources. There is also no unhealthy competition among the four companies.

(b) and (c) There is no proposal to amalgamate the four companies into one body.

(d) No, Sir, since in insurance business all over the world (as also in India), the agent forms an important link between the client and the insurance company, and the rate of commission payable to agents is fixed by the General Insurance Corporation of India.

Central Taxes Collected from West Bengal

*199. SHRIMATI KANAK MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) what is the total revenue collection from West Bengal in 1987-88, from each Central tax; and

(b) what is the total amount of each tax returned to West Bengal during the same period?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) The total Revenue collected from West Bengal in 1987-88 from each Central Tax is as under:

(Rs. in Crores)

Excise Duty	Customs Duty	Income-Tax (including Corporation Tax)	Estate Duty	Wealth Tax	Expenditure tax	Gift Tax
988.89	1,905.77	539.96	0.69	8.77	2.02	0.63

(b) The share of Union Excise duties, Income Tax and Estate Duty paid to West Bengal in 1987-88 as per revised estimates is as under:

(Rs. in Crores)

Income-tax	Basic Excise Duty	Additional Excise Duties in lieu of Sales Tax	Estate Duty
201.11	423.90	103.40	0.25

Loss Suffered by NTC

*200. SHRI LAL K. ADVANI:

SHRI ATAL BIHARI VAJPAYEE:

Will the Minister of TEXTILES be pleased to state:

(a) what is the net loss suffered so far by the National Textile Corporation:

(b) what steps have been taken to minimise the losses, raise the productivity and improve maintenance of the plants and with what results; and

(c) what are the names of the twelve heavy loss incurring textile mills of the Corporation for the closure of which a proposal was mooted some four years ago and what is the decision taken in this regard including the fate of the workers of the mills so involved?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The cumulative net loss incurred by mills under NTC is about Rs. 1331 crores as on 31st March, 1988.

(b) Steps to improve the performance of textile mills under NTC are reviewed on a continuing basis. The measures recently taken to minimise the losses, and to raise the productivity include mill-specific action plans, selective modernisation with the help of institutional finance, product upgradation and diversification phasing out of the uneconomic activities, rationalisation of excess labour on the basis of voluntary resignations. Subject to availability of funds, maintenance is carried out in the NTC mills as per the prescribed Maintenance Schedule. However, the losses are still increasing.

(c) In terms of the Textile Policy Statement, 1985, unviable mills which cannot be made viable within a reasonable time-frame, have to be closed down. Various proposals for closure of unviable mills have been considered in the recent past. However, there is no decision to close down any nationalised mill under NTC.

Decline in Export of Iron Ore by M.M.T.C.

@1602. SHRI BASUDEB MOHAPATRA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that mines in eastern region in Bihar and Orissa are facing crisis due to gradual decline of offtake of Iron Ore for export by MMTC;

(b) if so, what are the reasons therefor; and

(c) what steps government propose to take to increase offtake of Iron Ore?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) and (b) Lower level of shipments of iron ore than the target during 1987-88 by MMTC due to reduced contracting and lifting by the overseas buyers, particularly from Paradip port led to a record level of stocks of iron ore at the end of March, 1988

@Previously Unstarred Question 327, transferred from the 29th July, 1988.